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MINORITY MEDIA AND TELECOMMUNICATIONS COUNCIL

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April 25, 2002

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Hon. Marlene Dortch
Secretary
Federal Communications Commission
445 12th Street S.W.
Washington, D.C. 20554

Dear Ms. Dortch:

RE: MM Dockets 95-31 and 97-234 (Broadcast Auction Procedures)

Pursuant to 47 CFR §1.1206, this will disclose that in connection with this permit-but-disclose proceeding, on behalf of MMTC I held a meeting April 21, 2003 at 4:45 PM with Susan Eid, Esq., Legal Assistant to Chairman Powell.

I explained that MMTC had filed, in each of the above-referenced dockets, pleadings seeking to clarify the auction procedures to avoid shams and abuses. We were concerned that as the rules are written now, an applicant could claim new entrant bidding credits, deploy the credits in the auction against other applicants, and then, during or after the auction, quietly abandon the attributes that gave rise to those credits. MMTC was concerned that this gamesmanship might eviscerate the value of bidding credits, which are the only remaining significant FCC policy aimed at promoting minority ownership. As a remedy, we proposed immediate posting on the auction website of any comparative downgrading, as well as disgorgement of the book value of any improvidently deployed bidding credits. Our concern is that in its Second Report and Order in MM Docket No. 95-31, FCC 03-44 (released April 10, 2003), the Commission failed to mention the issue.

An original and two copies of this letter are being filed with the Secretary.

Sincerely,

David Honig

David Honig
Executive Director

cc: Susan Eid, Esq.
Wanda Hardy (with floppy disk)
Qualex International (with floppy disk)

/dh

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